

- BC unemployment rate falls to 6.7% as employment increases
- Building permits up in August, rising 3.4%
- Canadians spend more on vehicles & related products than on food & beverages

Labour Force

• **British Columbia's unemployment rate fell 0.8 percentage points to 6.7% (seasonally adjusted) in September, the lowest rate recorded since January of 2009.** After fluctuating for several months, the provincial unemployment rate is beginning to show signs of leveling off, hovering around seven percent for the past four months. The province's jobless rate remains below that for Canada as a whole, which dropped to 7.1% (down 0.2 percentage points) last month, its lowest level since December of 2008. The national decrease was the result of notable employment growth (+0.4%, or an addition of 60,900 jobs), all of which was at the full-time level (+0.5%). BC's unemployment rate was marginally higher than that of Manitoba (5.5%) and Alberta (5.4%), but significantly above Saskatchewan's (4.6%).

• **The improvement in BC's jobless rate was the result of substantial job growth.** The province boasted the highest employment increase among the provinces (+31,600, up 1.4% from August), which outpaced an increase in the number of people either working or looking for work (+0.6%). In terms of percentage growth, September marked the most significant monthly boost in the number of jobs in the province since June of 2004.

Following a small increase in August (+1.7%), employment in the province's goods-producing sector, which has borne the brunt of the economic downturn, rose again in September (+3.7%). For the second month in a row, job gains were seen in manufacturing

(+2.3%) and construction (+2.3%). Job growth in agriculture also contributed substantially to overall strength in the goods sector. Meanwhile, there was a nominal employment boost in the service sector (+0.8%). Strong job growth was evident in some industries, such as educational services (+6.6%) and transportation & warehousing (+6.5%), but these gains were moderated by losses in other employment areas, namely professional, scientific & technical services (-4.1%) and public administration (-5.7%).

Data Source: Statistics Canada

• **All of September's job growth was attributable to full-time employment.** There was a 2.3% surge (+39,900 jobs) in full-time work, while the number of part-time jobs decreased (-1.6% or 8,300 fewer jobs). While employment among men was strong in September (+1.0%, or 11,500 jobs), women accounted for a larger share of the overall gains (+1.9% or 20,100 jobs). Youth (aged 15-24) saw a substantial surge in the number of jobs (+4.2%, or +13,500), mostly attributable to increased employment among young women (+6.8%).

Data Source: Statistics Canada

• **Jobless rates improved or remained unchanged in most of the province's regions (3-month moving average, unadjusted), with the exception of Thompson/Okanagan and Northeast, where rates edged up slightly.** Northeast (4.3%) had the lowest rate, while the highest rate was seen in North Coast & Nechako (8.6%). The province's largest urban center, Vancouver, registered notable employment growth (+15,900), and a decrease in

Did you know...

In 2008, Canadians consumed 4.5kg of turkey per capita, slightly more than in the UK (4.0kg), but substantially less than in the US (8.0kg). At 10.5kg, Israel has the highest per capita consumption of turkey in the world. *Source: Turkey Farmers of Canada*

the jobless rate (down 0.2 percentage points to 7.1%). On the other hand, in Victoria, employment decreased by 1,900 and the unemployment rate inched up 0.1 percentage points to 6.3%. *Data Source: Statistics Canada & BC Stats*

The Economy

- **The value of building permits issued by BC municipalities climbed 3.4% (seasonally adjusted) in August.** The increase was due mostly to more planned activity in the residential (+14.3%) sector. Overall, permits for non-residential buildings were off (-14.0%), with a 31.3% decline for commercial projects outweighing solid boosts in the institutional & government (+34.4%) and industrial (+23.4%) sectors.

Planned spending was down in three of the province's census metropolitan areas, with the most notable slip recorded in the Kelowna area (-22.5%). Victoria (-3.7%) and Vancouver (-4.9%) also posted decreases. Conversely, Abbotsford-Mission bucked the trend with a substantial 29.8% boost. Overall, Vancouver accounted for nearly 60% of the total value of building permits issued in the province in August.

Canadian permits were down 10.4%, as slowed activity in the more populous provinces, such as Ontario (-21.9%) and Quebec (-9.4%) outweighed strength in some other parts of the country. New Brunswick (+30.1%) recorded the most significant increase.

Data Source: Statistics Canada

- **Year-to-date, building permits in BC's regions were relatively unchanged (+0.1%) compared to the first eight months of 2010.** North Coast (+91.8%), where a jump in the value of permits reflected significantly higher spending on residential, commercial and industrial projects, saw the most notable increase. Mainland/Southwest (+7.9%) and Northeast (+2.3%) also saw activity climb, though to a more moderate extent. On the other end of the scale, permits were down

most markedly in Cariboo (-40.7%) and Nechako (-34.9%). *Data Source: Statistics Canada & BC Stats*

The Nation

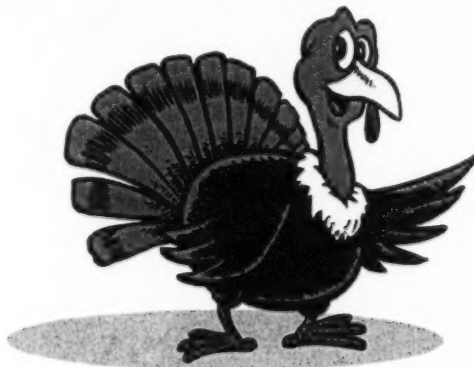
- **Retail sales totalled \$118.5 billion in the second quarter, up 3.8% from the second quarter of 2010.** Sales increased in five of the ten major commodity groupings, representing 65% of total retail sales. Sales of automotive fuels, oils and additives led the growth, with a 24.4% year-over-year increase.

According to the Consumer Price Index (CPI), the price of gasoline increased 28.1% over the same period. A 6.5% boost in sales of motor vehicles, parts & services was partly driven by a significant increase in new truck purchases (which include minivans, sport-utility vehicles, light and heavy trucks, vans and buses). Clothing, footwear & accessories (+3.4%) and food & beverage products (+2.1%) were also on the rise.

Overall, of every \$100 of goods and services purchased in retail stores in the second quarter, consumers spent the most on food & beverages (\$23), motor vehicles, parts & services (\$22) and automotive fuels, oils & additives (\$11).

Data Source: Statistics Canada

*Happy Thanksgiving from all of us
at BC Stats!*



*Infoline Issue: 11-40
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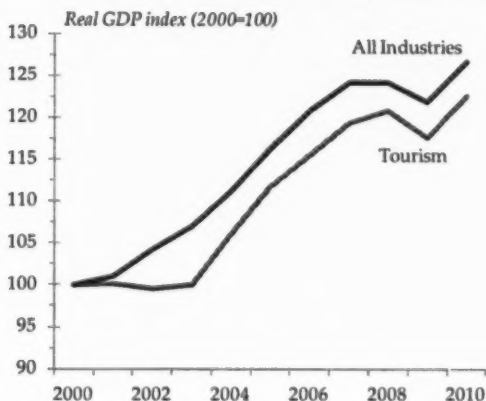
Infoline Report

Tourism Sector Recovers in 2010

Tourism GDP expanding

Tourism is an important sector in British Columbia, generating nearly \$6.5 billion¹ of real gross domestic product (GDP) in 2010 (making up over 4% of the province's total real GDP). Employment in the sector totalled 127,000, accounting for approximately one in every fifteen jobs in the province.

Tourism GDP rebounds in 2010 with stronger growth than the BC average



Data Source: BC Stats

British Columbia's tourism sector expanded 4.3% in 2010, rebounding from a significant downturn (-2.7%) in 2009 (when the tourism sector shrank for the first time since 2002). This increase was slightly higher than the average for all BC industries (+4.0%), making 2010 the best year for the tourism sector growth since 2005. However, after considering the drop in 2009, tourism real GDP was only 1.4% higher than in 2008.

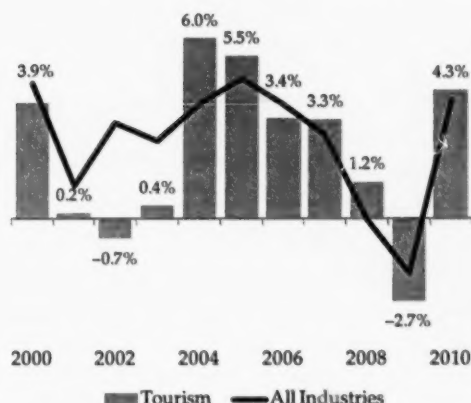
¹ GDP figures are reported in constant (2002) dollars. All other dollar figures in this report are in current dollars, which means that they have not been adjusted to exclude the effects of inflation.

A note on GDP

GDP is a measure of the value added to the economy by a particular activity. It is calculated by subtracting the cost of supplies and services used to produce a good or service from total revenues. For example, the price of a restaurant meal covers the cost of food purchased to make the meal, the energy used to cook it, rent and other building expenses, cleaning supplies, accountant's fees and so on. It also includes a mark-up intended to cover items such as wages, profits and depreciation. Although the restaurant uses food, energy and other inputs, its contribution to GDP is only the value added to the economy by the service it provided—the difference between the price paid by the consumer and the cost of inputs used by the restaurant. The GDP figures reported in this article are reported in constant (2002) dollars. This means that they have been adjusted to eliminate the effects of price changes over time. They are measured at **basic prices**: i.e. they include subsidies but exclude some indirect taxes.

Among the main tourism industries, accommodation & food services posted the largest gain (+6.3%) in 2010, driving most of the growth in tourism GDP. Tourism-related transportation (+3.7%) and retail (+2.3%) services, however, expanded at rates that were lower than the BC average.

After a drop in 2009, tourism sector real GDP rebounded 4.3% in 2010



Data Source: BC Stats

Visitor entries on the rise

Tourism expenditures are usually discretionary. Decisions about when and where to travel are often based on financial circumstances, as well as economic and social conditions at home and abroad. Concerns about global security, health issues, or ease of travel can influence these choices. As a result, the tourism sector generally shows more volatility than other industries.

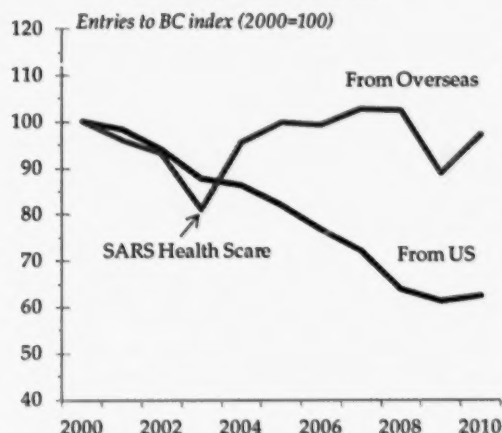
Major sporting and cultural events such as the 2010 Olympics can also have an effect on tourism, at least temporarily, while the events are underway.

Stronger economies, both locally and worldwide, coupled with the impact of the Winter Olympics held in Vancouver during February, likely contributed to the rebound in the tourism sector in 2010.

Visitor entries to BC increased from almost all regions of the world in 2010, with the total number of entries expanding 3.5%. Large gains in visitors from Asia (+10.4%) and Europe (+8.7%) drove a significant portion of this increase.

Amid security concerns, a higher Canadian dollar², and regulatory changes which increase border delays, the number of visitors from the United States has been trending downward since 2001. Despite rising 1.8% in 2010, entries from the US remain at less than two-thirds of the 2000 level.

Entries from the United States rose for the first time since 2000



Data Source: BC Stats

Are tourism sector estimates comparable to data for other industries?

Yes, as long as care is taken to ensure that GDP or jobs are not double counted. Since the tourism statistics are calculated by apportioning a share of total GDP or employment in each industry to the tourism sector, the tourism-related component must be subtracted from total GDP or employment in the relevant industries before making any comparisons.

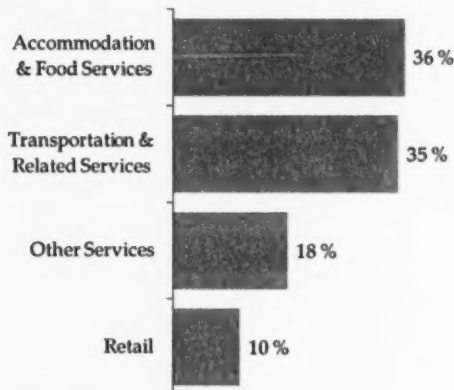
Key tourism activities

In 2010, nearly three-quarters of economic activity in the tourism sector was accounted for by accommodation & food (36%) and

² www.bcstats.gov.bc.ca/pubs/tour/tsm0612.pdf

transportation & related services (35%). Ten percent of tourism sector GDP originated in retail activities, with various other industries contributing the remaining 18% of total GDP.

Accommodation & food and transportation services generated nearly three-quarters of tourism GDP



Data Source: BC Stats

Air and water transportation, along with related services (such as the operation of airports, harbours and so on) are the largest industries within the transportation category, which also includes bus, taxi and rail services.

Accommodation and food services, as the name suggests, is made up of activities at hotels, motels and other types of accommodation. This industry also includes full-service, limited service (e.g., fast food and coffee shops) and other types of eating and drinking establishments.

Retailers sell items purchased by tourists (e.g. souvenirs, gifts, books and luggage stores). However, only a proportion of the business conducted at these types of establishments are attributed to the tourism sector. Other key activities include food, prescription drugs, gasoline and RV sales. Tourists also patronize general merchandise and clothing retailers and therefore a portion of the business

conducted at these businesses are included in the tourism sector.

Other tourism-related services include vehicle rental agencies, performing arts, spectator sports and estimates of the value of other industries that provide goods and services to tourists either directly or indirectly.

Tourism sector revenues reached \$13.4 billion

Tourism sector revenues increased 6.2% in 2010, rising to \$13.4 billion. Retail (+5.4%), transportation (+6.3%) and accommodation & food services (+7.9%) all posted substantial gains.

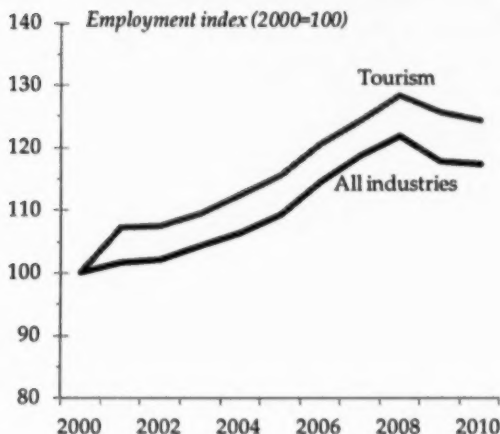
Tourism sector employment continued to decline

Despite growth in GDP and revenues, tourism sector employment (-1.0%) continued to decline in 2010³. This was consistent with the trend in all BC industries (-0.5%). The tourism sector employed 127,000 people, nearly half of them in the accommodation & food services industry. Transportation & related services made up another 26% of tourism sector employment and retail trade employed 14%.

The largest drop in employment in 2010 was in the retail (-2.8%) sector, while transportation (-0.9%) and accommodation (-0.2%) registered more modest declines.

³ All employment figures reported in this article are from the survey of employment, payroll and hours (SEPH). This figure excludes the self-employed. The Labour Force Survey (which includes the self employed) typically reports a larger employment figure, but it is roughly the same in 2010.

Employment in the tourism sector continued to decline in 2010

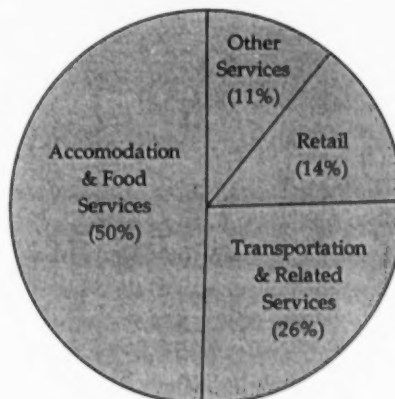


Data Source: BC Stats

What is direct tourism employment?

Direct tourism employment is a measure of the number of people working in various industries that serve tourists. It includes workers in industries ranging from accommodation & food services to retailing and transportation. The figures are based on the typical job in these industries, and may be full or part time. Direct tourism employment estimates are generated by assigning a percentage of total employment in various industries to the tourism sector. These percentages are calculated by BC Stats based on information from a number of sources.

Half of all the jobs in the tourism sector were in accommodation & food services



Data Source: BC Stats

Wages and salaries increased in 2010

Workers in the tourism sector earned \$4.4 billion in wages and salaries in 2010, a 0.6% climb despite declining employment. This is likely due to higher pay, with average weekly wages increasing 1.7% to \$660.70. While earnings in transportation & related slid lower (-4.4%) both retail (+2.4%) and accommodation & food services (+4.1%) increased their payrolls. Total payments in accommodation & food services have not yet recovered from the downturn in 2009, where the tourism proportion of payrolls fell 9.2%.

In 2010, average weekly wages were highest in the transportation industry (\$985.14), well ahead of the BC average (\$818.79)⁴. Retail (\$548.10) and accommodation & food services (\$480.51) had the lowest weekly earnings, though some earnings (particularly in food

⁴ Source: Statistics Canada SEPH. Figure is an industrial aggregate which covers all industrial sectors except those primarily involved in agriculture, fishing and trapping, private household services, religious organisations and the military personnel of the defence services. The figure includes overtime pay.

services) would be complemented by gratuities and other non-wage income.

Workers in tourism-related transportation industries had the highest weekly earnings

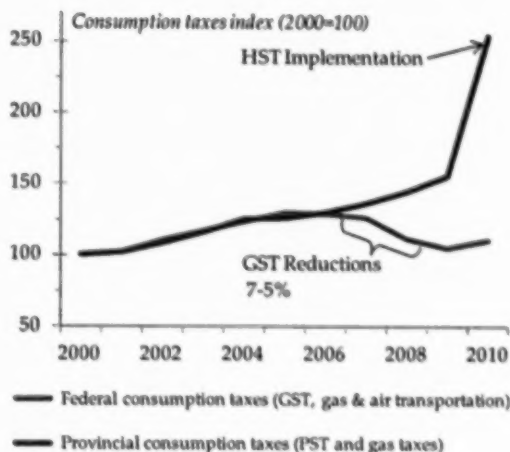


Data Source: BC Stats, Statistics Canada SEPH

Tourism tax revenues increased significantly in 2010

It is estimated that tourism activities generated over \$2.5 billion in tax revenues in 2010 (across all levels of government), 7.6% more than in 2009. Consumption taxes, which include the Goods & Services Tax (GST), Provincial Sales Tax (PST), Harmonized Sales Tax (HST), and other taxes (gas and air transportation), brought in \$1.2 billion, 23.0% more than in 2009, largely because provincial consumption tax revenues rose significantly (+63.8%) during the year. The increase was almost entirely due to the introduction of the HST in July 2010. The HST replaced the PST and GST, as well as the province-wide 8% Hotel Room Tax (HRT).

Provincial consumption taxes soared following the introduction of the HST



Data Source: BC Stats

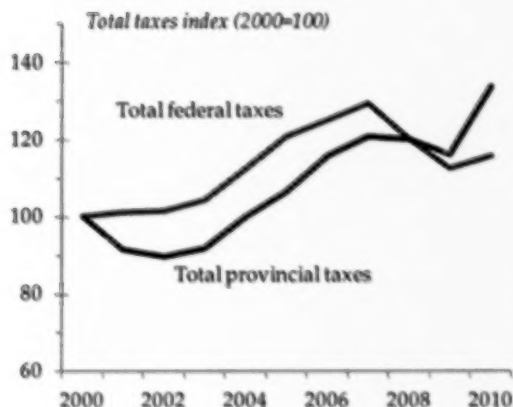
With the introduction of the HST, many services used by tourists that were previously tax-exempt became subject to the 7% tax. While the effect of the HST on tourism tax revenues was very considerable, it should be noted that other consumer-oriented industries were also affected by the introduction of the tax. Just sales tax revenues (from all sources) were up 9.4% in 2010.

Higher rates and revenues also contributed to increases in municipal (hotel room) tax receipts (+19.2%), which reached \$31 million in 2010. Increases in the 2% municipal tax receipts (which was/is collected in addition to the HRT/HST) also reflect other factors such as changes in the coverage of the tax, which has been expanding in recent years as more communities participate in the additional hotel tax. Prince George and Vernon were among the communities that introduced a hotel tax in 2010, contributing to the increase in municipal (hotel) tax receipts.

Other factors, including the recovery in the tourism sector and increased tourism activity, contributed to the rise in tax revenues. Hotel

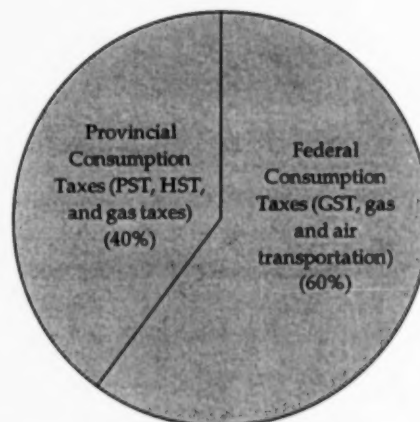
tax collections rose significantly during the 2010 Olympics as a surge in the demand for accommodations helped push room rates in Mainland/Southwest (particularly Whistler and Vancouver) higher.

Provincial tax revenues increased significantly in 2010



Data Source: BC Stats

Most of the consumption tax revenue generated went to the federal government



BC Stats' tourism figures

BC Stats' tourism sector statistics program is supported and partly funded by Tourism BC. The data in this report is estimated by BC Stats in partnership with Tourism BC. Methodology used to calculate these tourism indicators is described in a document entitled "Measuring the Size of British Columbia's Tourism Sector" found at www.bcstats.gov.bc.ca.

British Columbia Tourism	2004	2005	2006	2007	2008	2009	2010
Revenue (\$ millions)	10,717	11,465	12,208	12,911	13,332	12,661	13,446
% change	9.4	7.0	6.5	5.8	3.3	-5.0	6.2
GDP (\$ millions)	5,692	6,150	6,510	6,881	7,068	6,744	7,197
% change	8.8	8.0	5.8	5.7	2.7	-4.6	6.7
Real GDP (\$2002 million)	5,579	5,883	6,080	6,282	6,359	6,185	6,450
% change	6.0	5.5	3.4	3.3	1.2	-2.7	4.3
Implicit price index (2002 = 100)	102.0	104.5	107.1	109.5	111.1	109.0	111.6
% change	2.6	2.5	2.5	2.2	1.5	-1.9	2.4
Employment, SEPH ('000)	115.2	118.4	123.5	127.3	131.4	128.7	127.4
% change	2.7	2.8	4.3	3.1	3.2	-2.1	-1.0
Wages & salaries (\$ millions)	3,607	3,834	4,148	4,369	4,553	4,362	4,389
% change	6.5	6.3	8.2	5.3	4.2	-4.2	0.6
Consumption taxes (\$ millions)	1,049	1,090	1,092	1,091	1,007	984	1,210
% change	6.2	3.9	0.2	-0.1	-7.6	-2.3	23.0

Source: BC Stats



Email transmission information service from BC Stats



also on the Internet at www.bcstats.gov.bc.ca or choose **R55**

BC at a glance . . .

POPULATION (thousands)		
	Jul 1/2011	% change on one year ago
BC	4,573.3	1.0
Canada	34,482.8	1.0
GDP and INCOME (Released Nov 4)		
(BC - at market prices)	2009	% change on one year ago
Gross Domestic Product (GDP) (\$ millions)	191,006	-3.4
GDP (\$ 2002 millions)	161,851	-1.8
GDP (\$ 2002 per Capita) (reflects revised pop)	36,287	-3.5
Personal Disposable Income (\$ 2002 per Capita)	25,374	-1.9
TRADE (\$ millions, seasonally adjusted)		
		% change on prev. month
Manufacturing Shipments - Jul 2011	3,121	0.7
Merchandise Exports - Jul 2011	2,725	-1.1
Retail Sales - Jul 2011	4,916	-0.5
CONSUMER PRICE INDEX		
(all items - Aug 2011)	% change on one year ago	12-month avg % change
BC	2.1	2.4
Vancouver	1.7	2.4
Victoria	1.9	2.1
Canada	3.1	2.7
LABOUR FORCE (thousands)		
(seasonally adjusted)	Sep 2011	% change on prev. month
Jobs Created (-Lost) - BC	31.6	
Labour Force - BC	2,466.0	0.6
Employed - BC	2,299.7	1.4
Unemployed - BC	166.3	-9.7
		Aug 2011
Unemployment Rate - BC (percent)	6.7	7.5
Unemployment Rate - Canada (percent)	7.1	7.3
INTEREST RATES (percent)		
	Oct 5/2011	Oct 6/2010
Prime Business Rate	3.00	3.00
Conventional Mortgages - 1 year	3.50	3.30
- 5 year	5.19	5.39
US-CANADA EXCHANGE RATE		
	Oct 5/2011	Oct 6/2010
(avg. noon spot rate) Cdn \$ per US \$	1.0449	1.0073
(closing rate) US \$ per Cdn \$	0.9614	0.9894
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Sep 2011	% change on one year ago
BC	843.67	1.2
Canada	845.51	2.0

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics
For latest Weekly Financial Statistics see www.bankofcanada.ca

High Technology Reports

The 2010 editions of BC Stats' high technology reports are now available. The *Profile of the British Columbia High Technology Sector* measures the growth and performance of B.C.'s high technology sector. The key indicators examined include GDP, revenue, employment, wages and salaries, business counts and international trade. The *Input Indicators of the British Columbia High Technology Sector* report highlights conditions that affect B.C.'s high technology sector from a supply-side perspective. The indicators cover key aspects of the educational, business, government, external and labour sectors. For both these reports, the detailed tables are also available in Excel format.

http://www.bcstats.gov.bc.ca/data/bus_stat/busind/hi_tech.asp

BC Regional Population Projections

The British Columbia and PEOPLE36 (Population Extrapolation for Organizational Planning with Less Error) regional population projections are now available. This latest population projection covers the period 2011 to 2036, with information available for numerous provincial geographies including Local Health Area, Health Service Delivery Area, Health Authority, School Districts, Regional District and Development Region. Access the release article *British Columbia 2036*, which provides some PEOPLE 36 highlights, or view projection details on our website.

<http://www.bcstats.gov.bc.ca/data/pop/pop/popproj.asp>

Released this week by BC Stats

- Labour Force Statistics, September 2011
- Earnings & Employment Trends, Sept. 2011
- Economic Statistics Report, October 2011

Next week

- Business Indicators, September 2011
- Exports, August 2011

